

## Message Text

CONFIDENTIAL

PAGE 01 SEOUL 04544 121017Z

20

ACTION EA-14

INFO OCT-01 ISO-00 DODE-00 PM-07 CIAE-00 INR-10 NSAE-00

RSC-01 AID-20 TRSE-00 OMB-01 IGA-02 L-03 DRC-01 /060 W

----- 097323

R 120925Z JUL 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 4830

INFO COMUSKOREA

CNO WASHDC

CINCPAC

CHJUSMAG-K SEOUL KS

CHNAVSEC JUSMAG-K

C O N F I D E N T I A L SEOUL 4544

E.O. 11652: GDS

TAGS: MASS, KS

SUBJECT: CPIC PRODUCTION FUNDING

REF: (A) STATE 130342 (NOTAL) (B) SEOUL 4311

1. THE FOLLOWING IS VERBATUM TEXT OF A CONFIDENTIAL LETTER FROM ACTING CHIEF, JUSMAG-K, TO ASSISTANT MINISTER, LOGISTICS AND INSTALLATIONS, ROK MND, DATED 27 JUNE 1974, AND IS QUOTED HEREIN AS REQUESTED BY REFERENCE A:

QUOTE: DEAR GENERAL PAIK:

AS YOU WILL RECALL FROM PREVIOUS DISCUSSIONS, THE CPIC PRODUCTION DECISION WILL BE REACHED ABOUT MID-SEPTEMBER ON COMPLETION OF TESTING AND EVALUATION OF THE PROTOTYPE CRAFT, CPIC-X.

BECAUSE OF THE CONGRESSIONAL APPROPRIATION PROCESS AND THE ABSENCE OF GRANT AID FUNDING IN FY 74 FOR THIS PROJECT, IT IS IMPERATIVE THAT ALTERNATE FUNDING PROVISIONS TO SUPPORT A PRODUCTION DECISION BE ESTABLISHED NOW TO PRECLUDE FURTHER DELAYS IN DELIVERY OF THIS VITAL ASSET TO ROK NAVY.

ALTHOUGH GRANT AID FUNDING FOR CPIC HAS BEEN REQUESTED IN THE FY 75 SECURITY ASSISTANCE PROGRAM THE AMOUNTS AND TIME WHEN SUCH FUNDING MAY BE AVAILABLE WILL NOT BE KNOWN UNTIL THE U.S.

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CONGRESS PASSES THE 1975 FOREIGN ASSISTANCE ACT. THIS LEGISLATION

IS NOT EXPECTED TO BE ENACTED BY THE TIME A THIRD QUARTER OF FY 75. IN THE INTERIM, SECURITY ASSISTANCE FUNDING WILL BE BY CONTINUING RESOLUTION AUTHORITY FROM THE CONGRESS, WHICH IS EXPECTED TO BE SPARSE, AS IT WAS DURING EARLY FY 74.

ACCORDINGLY, I RECOMMEND YOUR GOVERNMENT CONSIDER DEVOTING NATIONAL RESOURCES, IN THE FORM OF AN FMS CASH CASE, TO SUPPORT INITIAL PRODUCTION OF CPIC. THE AMOUNT OF FMS CASH FUNDING REQUIRED, WITH A PROPOSED PRODUCTION AND FUNDING SCHEDULE, WILL BE PROVIDED AS SOON AS CNO, U.S. NAVY, RESPONDS TO AN IMPENDING REQUEST FOR DETAILED DATA. MEMBERS OF THE JUSMAG-K STAFF ARE AVAILABLE TO PROVIDE ANY REQUIRED ASSISTANCE IN THIS MATTER. SINCERELY, LOUIS J. SCHELTER, JR., BRIGADIER GENERAL, USA. CHIEF. UNQUOTE.

2. WHILE NO WRITTEN RESPONSE TO ABOVE LETTER HAS BEEN RECEIVED TO DATE, THE ROK REACTION IS AS DESCRIBED IN REFERENCE B.  
HABIB

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY ASSISTANCE, MILITARY CREDIT, MILITARY SALES, FOREIGN ASSISTANCE APPROPRIATIONS, AMPHIBIOUS SHIPS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 JUL 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974SEOUL04544  
**Document Source:** CORE  
**Document Unique ID:** 00  
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**Film Number:** D740186-0792  
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**Reference:** (A) STATE 130342 (NOTAL) (B) SEOUL 4, 311  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 AUG 2002  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CPIC PRODUCTION FUNDING  
**TAGS:** MASS, KS, US, CPIC  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005